liberalising the Foreign Direct Investment regime. Earlier, the limit was raised from 51% to 74% vide Press Note No. 2(2000 Series) dated 11th February, 2000 issued by the Department of Industrial Policy and Promotion, followed by a Press Release in March 2000 by the Department of Chemicals and Petrochemicals amending the "Modifications in Drug Policy 1986" announced in September, 1994.

Subsidy to fertilizer plants in Tamil Nadu

5424. PROF. M. SANKARALINGAM: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of subsidy extended to the fertilizer companies in the country in general and Tamil Nadu in particular during the last three years;

(b) whether the production of fertilizer has improved during the same period;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) Urea being the only fertilizer under statutory price, distribution and movement control, is covered under Retention Price Scheme and is eligible for payment of subsidy. Details of subsidy given to urea companies in the country during the last three years are given in the table below:

Rs. in crore

Sl. No.	Period	Amount of subsidy paid to urea companies in the country
1.	1999-2000	8670.00
2.	2000-2001	9480.00
3.	2001-2002	8257.00

Details of subsidy paid to urea companies in Tamil Nadu during the last three years are given in table below:

Rs. in crore

Sl. No.	Period	Amount of subsidy paid to urea companies in the Tamil Nadu
1.	1999-2000	787.55
2.	2000-2001	1116.60
3.	2001-2002	941.45

(b) to (d) Production of fertilizers in the country during last three years is given below:

Product Name		Production (Qty. in '000' MT) 1999-2000	2000-2001	2001-2002
Urea		19829.8	19650.9	19172.7
DAP		3863.0	4888.9	5094.1
Complexes		5001.3	4744.1	4908.9
SSP		3205.5	2762.3	2624.7
A/C		602.6	597.8	554.9
CAN		318.3	245.4	180.7
A/C		87.6	102.3	80.2
TOTAL (ALL):		32908.1	32991.7	32616.1
Nitrogen	Target	11066.0	11213.6	11658.4
	Actual	10890.0	10961.0	10768.3
Phosphate	Target	3344.5	3993.3	4930.1
	Actual	3398.5	3743.2	3860.2

All India production of fertilizers during 1999-2000, 2000-2001 and 2001-2002 was less than the target due to the following major reasons:

1999-2000:

(i) Restricted gas supply to Trombay and Thal units of RCF.

(ii) Equipment problems in KRIBHCO-Hazira, SPIC-Tuticorin, NFCL-Kakinada, OCF-Shahjahanpur plants.

(iii) Extended shutdown of NLC-Neyveli.

2000-2001:

(i) Poor quality and inadequate supply of natural gas to most of the gas-based fertilizer plants.

(ii) Equipment breakdowns in FCI, HFC, NLC & MFL plants.

(iii) Shortage of raw materials faced by PPL, Paradeep and HLL, Haldia plants engaged in the manufacture of phosphatic fertilizers.

(iv) Delay in stabilization of DAP plants of OCF, Paradeep and Indo-Gulf Dahej due to teething problems.

(v) Low production of complex grade fertilizers on account of financial constraints/shortage of raw materials.

(vi) Production loss of 45,000 MT of Nitrogen and 1,15,000 of Phosphate during January to March, 2001 at Kandla Plant of IFFCO due to earthquake in Gujarat.

2001-2002:

(i) Inadequate and poor quality of natural gas supply to all gas based fertilizer plants.

(ii) Equipment breakdowns in urea plant of FACT, Cochin-I, IFFCO, Aonla-I and SPIC, Tuticorin.

(iii) Non-stabilization of production of DAP/Complex fertilizer plant of IFFCO at Kandla during April-May, 2001 as a fall out of Gujarat earthquake.

(iv) Labour strike and shortage of phosphoric acid in PPL, paradeep.

(v) Shortage of raw-materials and marketing constraints of DAP fertilizers.

(vi) Delay in commissioning of GSFC, Sikka-II DAP unit.

Recovery of subsidy from urea units

5425. SHRI VIJAY J. DARDA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have decided to phase out the vintage allowance given to urea units as recommended by the Expenditure Reforms Commission;